When the landowner had divested its role in the project by vesting development and sale rights in the developer through a power of attorney, then in the absence of any contractual nexus with the homebuyer, no liability could be fastened upon it

The **Tamil Nadu Real Estate Regulatory Authority Mugundhine v. Cybercity Mangadu Project Pvt Ltd. [CCP No. 62 of 2024] dated February 10, 2026**, in a delayed possession dispute involving a housing project in Chennai, has held that the marketing entity is not a "promoter" and cannot be held liable, while also declining to fasten liability on the landowner and directing the developer to pay compensation. Dismissing the complaint against Anugraha Real Value Services (Chennai) Pvt Ltd. and Shriram Properties Ltd., the RERA held that neither entity had any privity of contract with the complainant.

The RERA held that the landowner had divested its role in the project by vesting development and sale rights in the developer through a power of attorney, and in the absence of any contractual nexus with the homebuyer, no liability could be fastened upon it. Adjudicating Officer however, held Cybercity Mangadu Project Pvt Ltd., the developer, liable for the delay and directed it to pay Rs 3,00,000 as compensation along with Rs 50,000 towards litigation costs.

Clarifying the scope of liability, the authority observed, "it does not come under the definition of promoter as per Section 2(zk). It did not construct or convert or sell any of the building or apartments. Similarly, it did not develop any land into a project for the purpose of selling to other persons. It had acted as a Marketing Person for the project of the 1st Respondent. Exhibits A1 & A2 do not expose this 3rd Respondent as a party to the agreements. There is no other privity of contract in between the complainant and the 3rd Respondent and so it is not liable to pay for any reliefs to the complainant."

On the role of the landowner, the authority held that there is no other privity of contract in between this complainant and the 2nd Respondent. As it has relinquished its dealings with the 1st Respondent and as such no amount was deposited in the escrow account, the 2nd Respondent is not liable to pay any compensation or costs to the complainant.